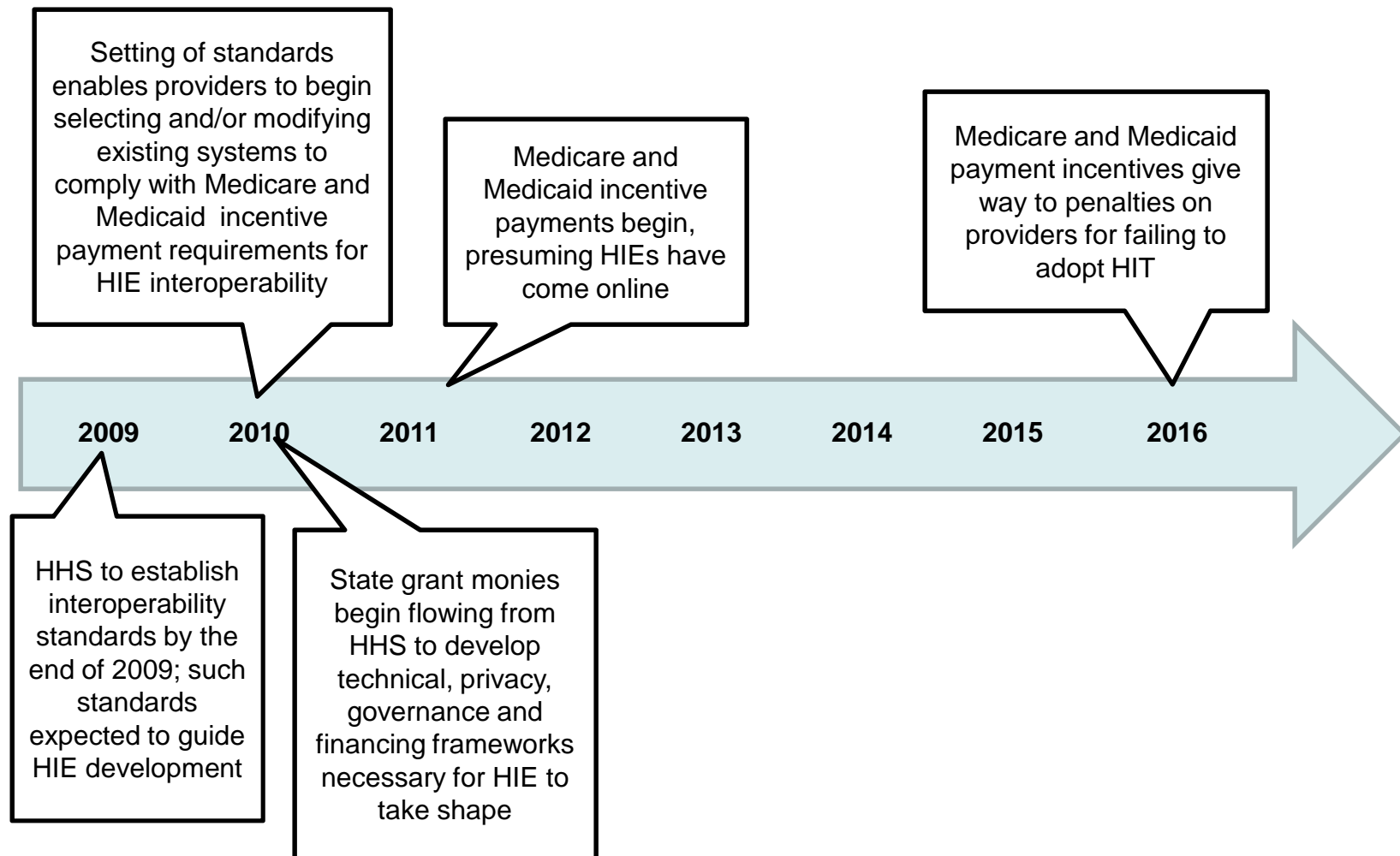# Federal HI TECH Act

- HIT/HIE provisions of ARRA
- HITECH: Health Information Technology for Economic and Clinical Health Act
- Create Kansas HITECH Plan –
  - Merge efforts of various initiatives (both HIT/HIE and medical home) into comprehensive plan
  - Determine list of "shovel ready" projects appropriate for funding
  - Bring stakeholders together to determine priorities and get to work

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Aligning KS HITECH Plan

Federal Interoperability Standards	Health Information Privacy and Security	$2 B in Grants and loans to purchase HIT ; $1.5 B for FQHCs	Payment incentives in Medicaid/Medicare for EHR
Kansas standards team to monitor federal work to ensure alignment – providers will benefit from federal inoperability standards that will ease health information exchange – select team to	Kansas HISPC team can be integrated into KS HITECH plan via development and implementation of state harmonization laws and rural consumer education	Kansas grant team to develop funding priorities from list of shovel ready projects that promote medical home model of care or follow specifics of ARRA federal funding guidelines (not yet published)	Kansas payment incentives team to track rules and regulations for increased provider reimbursement for those providers utilizing electronic health information and provide education for interested providers

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Setting of standards enables providers to begin selecting and/or modifying existing systems to comply with Medicare and Medicaid incentive payment requirements for HIE interoperability

Medicare and Medicaid incentive payments begin, presuming HIEs have come online

Medicare and Medicaid payment incentives give way to penalties on providers for failing to adopt HIT

2009 **2010** **2011** **2012** **2013** **2014** **2015** **2016**

HHS to establish interoperability standards by the end of 2009; such standards expected to guide HIE development

State grant monies begin flowing from HHS to develop technical, privacy, governance and financing frameworks necessary for HIE to take shape

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Funding Mechanism Appropriations, subject to annual review & authorization	**Payment Agent** States or state-designated entities
Payment Recipients •State Department of Health or a <u>qualified</u> state-designated HIE governing entity. •Recipients must consult with wide range of stake holders throughout health care.	**Level of Funding** •At least $300 million in grants to be divided among planning & implementation activities. •State matching funds <u>may</u> be required in FY 09 & 10 (and <u>will</u> be required in FY 11)

Requirements for Funding
•Submission of a plan, approved by HHS, that describes the activities to facilitate and expand the electronic movement and use of HIE according to nationally recognized standards and implementation specifications.

Use of Funds
•Enhancing broad and varied participation in nationwide HIE
•Identifying State or local resources available towards a nationwide effort to promote health IT
•Complementing other federal programs and efforts towards the promotion of health IT
•Providing technical assistance to develop & disseminate solutions to advance HIE
•Promoting effective strategies to adopt and utilize health IT in medically underserved communities
•Assisting patients in utilizing health IT
•Encouraging clinicians to work with Health IT Regional Extension Centers
•Supporting public health agencies' access to electronic health information
•Promoting the use of EHRs for quality improvement

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Consideration

•HIE provision distinguishes between planning an implementation grants, and it is likely that much larger grants will go toward implementation.

•Key characteristics for implementation funding TBD, but will likely involve:
- –An operating governance structure
- –A defined technical plan
- –Defined clinical use cases
- –Statewide policy guidance as to privacy and security

•There is an implicit onus on States to develop HIE infrastructure in the near-term to enable otherwise-eligible providers to earn their Medicare/Medicaid incentive payments.

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	Medicare	Medicaid
Funding mechanism(s)	Incentive payments	Incentive payments, State matching payments (administrative costs)
Payment Agent	Medicare carriers and contractors	State Medicaid agencies
Payment Recipients	Hospitals and physicians	Hospitals and physicians; State Medicaid agencies for administration
Amounts for Hospitals	$2 million base amount	For eligible Acute Care & Children's hospitals…limited to amount calculated under Medicare, by Medicaid share
Amounts for physicians and other health professionals	May receive up to $41,000	In aggregate, an eligible professional may receive up to 85 percent of $75,000 over a five year period.
Key Consideration	*Hospitals will qualify for both Medicare and Medicaid dollars (unlike professionals) but will be forced to participate in HIE projects and be "meaningful user" to drawn down funds*	